

# **HCA Management Services**

**Short Term Disability Coverage**



**Prudential**

# Benefit Highlights

## SHORT TERM DISABILITY PLAN

This short term disability plan provides financial protection by paying a portion of your income while you are disabled. The amount you receive is based on the amount you earned before your disability began. In some cases, you can receive disability payments even if you work while you are disabled. Benefits start after the elimination period.

<b>Program Date:</b>	January 1, 2013
<b>Contract Holder:</b>	HCA MANAGEMENT SERVICES, LP ON BEHALF OF THE PLAN ADMINISTRATION COMMITTEE
<b>Group Contract Number:</b>	G-44028-TN-1
<b>Covered Classes:</b>	All active Full-time and Part-time employees who earn \$6,000.00 or more annually and who are Employees of HCA-Affiliated Facilities that have not elected to offer the Core short-term disability plan.
<b>Minimum Hours Requirement:</b>	Employees must work the minimum number of hours as designated by their HCA Affiliated Facility.
<b>Benefit Waiting Period:</b>	<p>You may need to work for your Employer for a continuous period before you become eligible for the plan. The period must be agreed upon by your Employer and Prudential.</p> <p>Your Employer will let you know about this waiting period.</p>
<b>Elimination Period:</b>	<p>14 days for disability due to accident; 14 days for disability due to sickness.</p> <p><b>Benefits begin the day after the Elimination Period is completed.</b></p>
<b>Monthly Benefit:</b>	<p>Any increment of \$100.00 to a maximum of \$2,500.00. At no time will this amount be less than \$300.00.</p> <p><b>Minimum Benefit:</b> \$100.00 after subtracting deductible sources of income.</p> <p>Your benefit may be reduced by deductible sources of income and disability earnings if the combined amount of the Monthly Benefit and other deductible sources of income are more than the Maximum Monthly Benefit. Some disabilities may not be covered under this plan.</p>
<b>Maximum Monthly Benefit:</b>	60% of your monthly earnings.
<b>Maximum Period of Benefits:</b>	6 months of benefits. If the Group Contract ends, your payments will not stop as long as you remain disabled.

Contributions are required for your coverage while you are receiving payments under this plan for the first 90 days while you are disabled and while you are an Employee. After the first day of the month following 90 days of disability, contributions are no longer required while you are receiving payments under this plan.

**Cost of Coverage:** The short term disability plan is provided to you on a contributory basis. You will be informed of the amount of your contribution when you enroll.

The above items are only highlights of your coverage. For a full description please read this entire Group Insurance Certificate.

# Table of Contents

BENEFIT HIGHLIGHTS - SHORT TERM DISABILITY PLAN .....	1
CERTIFICATE OF COVERAGE .....	4
GENERAL PROVISIONS.....	5
SHORT TERM DISABILITY COVERAGE - BENEFIT INFORMATION.....	10
SHORT TERM DISABILITY COVERAGE - CLAIM INFORMATION.....	21
GLOSSARY.....	24

## **The Prudential Insurance Company of America**

# **Certificate of Coverage**

The Prudential Insurance Company of America (referred to as Prudential) welcomes you to the plan.

This is your Certificate of Coverage as long as you are eligible for coverage and you meet the requirements for becoming insured. You will want to read this certificate and keep it in a safe place.

Prudential has written this certificate in booklet format to be understandable to you. If you should have any questions about the content or provisions, please consult Prudential's claims paying office. Prudential will assist you in any way to help you understand your benefits.

The benefits described in this Certificate of Coverage are subject in every way to the entire Group Contract which includes this Group Insurance Certificate.

### **Prudential's Address**

The Prudential Insurance Company of America  
751 Broad Street  
Newark, New Jersey 07102

### **Customer Service Office**

The Prudential Insurance Company of America  
Disability Management Services Claim Division  
P.O. Box 13480  
Philadelphia, Pennsylvania 19176  
1-800-842-1718

# General Provisions

## What Is the Certificate?

This certificate is a written document prepared by Prudential which tells you:

- the coverage to which you may be entitled;
- to whom Prudential will make a payment; and
- the limitations, exclusions and requirements that apply within a plan.

## General Definitions used throughout this certificate include:

**You** means a person who is eligible for Prudential coverage.

**We, us, and our** means The Prudential Insurance Company of America.

**Employee** means a person who is in **active employment** with the **Employer** for the minimum hours requirement.

**Active employment** means you are working for your Employer for earnings that are paid regularly and that you are performing the material and substantial duties of your regular occupation. You must be working at least the minimum number of hours as designated by your HCA Affiliated Facility. If you are a partner or proprietor of the Employer, that work must be in the conduct of the Employer's business.

Your worksite must be:

- your Employer's usual place of business;
- an alternate work site at the direction of your Employer other than your home unless clear specific expectations and duties are documented; or
- a location to which your job requires you to travel.

Normal vacation is considered active employment.

Temporary and seasonal workers are excluded from coverage.

Individuals whose employment status is being continued under a severance or termination agreement will not be considered in active employment.

**Employer** means Employers who are HCA Inc.'s subsidiaries or affiliates.

**Contract Holder** means HCA MANAGEMENT SERVICES, LP ON BEHALF OF THE PLAN ADMINISTRATION COMMITTEE to whom the Group Contract is issued.

**Insured** means any person covered under a coverage.

**Plan** means a line of coverage under the Group Contract.

## When Are You Eligible for Coverage?

If you are working for your Employer in a **covered class**, the date you are eligible for coverage is the later of:

- the plan's program date; and
- the day after you complete your **benefit waiting period**.

You do not have to complete a new benefit waiting period if:

- your insurance ends because you stop working for your Employer for any reason; and
- you resume working for your Employer in a covered class within 6 months after your insurance ended.

**Covered class** means your class as determined by the Contract Holder. This will be done under the Contract Holder's rules, on dates the Contract Holder sets. The Contract Holder must not discriminate among persons in like situations. You cannot belong to more than one class for insurance on each basis, Contributory or Non-contributory Insurance, under a plan. "Class" means covered class, benefit class or anything related to work, such as position or earnings, which affects the insurance available. If you are an employee of more than one Employer included under the Group Contract, for the insurance you will be considered an employee of only one of those Employers. Your service with the others will be treated as service with that one.

**Benefit waiting period** means the continuous period of time that you must be in a covered class before you are eligible for coverage under a plan. The period must be agreed upon by the Employer and Prudential.

## When Does Your Coverage Begin?

When you pay cost of your coverage under a plan, you will be covered at 12:01 a.m. on the latest of:

- the date you are eligible for coverage, if you enroll for it on or before that date;
- the date you enroll for coverage, if you enroll for it within 31 days after the date you are eligible for coverage;
- the date designated by the employer, if you enroll during the **annual enrollment period**;
- the date Prudential approves your application, if **evidence of insurability** is required; or
- the date you are in active employment. If you are not in active employment on the date your coverage would normally begin, it will begin on the date you return to active employment.

The Contract Holder may not waive an evidence of insurability requirement for any reason.

**Annual enrollment period** means a period each year when you may enroll for coverage or request a change for the following calendar year. Your Employer will notify you of when this Annual Enrollment Period begins and ends.

**Evidence of insurability** means a statement of your medical history which Prudential will use to determine if you are approved for coverage.

### **What If You Are Not in Active Employment When Your Employer Changes Insurance Carriers to Prudential?**

When the coverage begins, Prudential will provide coverage for you if:

- you are not in active employment because of a sickness or injury; and
- you were covered under your Employer's prior plan.

Contributions are required for your coverage.

Your coverage will be limited to the amount that would have been paid by your Employer's prior plan. Prudential will reduce your monthly payment by any amount that is payable by your Employer's prior plan.

### **When Is Evidence of Insurability Required?**

In any of these situations, you must give evidence of insurability, provided at your expense. This requirement will be met when Prudential decides the evidence is satisfactory.

- You enroll for coverage more than 31 days after the date you are eligible for it.
- You elect an increase in your coverage by enrolling in another plan option more than 31 days after you are eligible for that plan option.
- You re-enroll for coverage after you voluntarily cancelled it.
- You enroll after any coverage ends because you did not pay a required contribution.
- You have not met a previous evidence requirement to become covered under any plan the Employer has with Prudential.

An evidence of insurability form will be provided to you if required.

### **How Do You Enroll For Coverage?**

You must enroll on a form approved by Prudential and agree to pay the required contributions.

### **When Will Changes to Your Coverage Take Effect?**

Once your coverage begins, any increased or additional coverage will take effect on the latest of:

1. the date Prudential approves your application, if evidence of insurability is required; or
2. the date you return to active employment, if you are not in active employment due to injury or sickness.



An increase in your short term disability coverage may be subject to a pre-existing condition limitation as described in the plan. Any decrease in coverage will take effect immediately upon the effective date of the change. Neither an increase nor a decrease in coverage will affect a **payable claim** that occurs prior to the increase or decrease.

**Payable claim** means a claim for which Prudential is liable under the terms of the Group Contract.

### **Once Your Coverage Begins, What Happens If You Are Temporarily Not Working Or If You Are Working Reduced Hours?**

If you are on severance, and if premium is paid, you will be covered while you are eligible under the severance package, not to exceed 6 months.

With respect to leave of absence under the federal Family and Medical Leave Act of 1993 (FMLA) or similar state law, if it is the Contract Holder's policy to allow a longer period of continued coverage for non-FMLA leaves, this policy will be used to determine the period of continued coverage for FMLA leave. Continuation of such coverage pursuant to this provision is contingent upon Prudential's timely receipt of premium payments and written confirmation of your FMLA leave by the Contract Holder.

### **When Does Your Coverage End?**

Your coverage under the Group Contract or a plan ends on the earliest of:

- the date the Group Contract or a plan is canceled;
- the date you are no longer a member of the covered classes;
- the date your covered class is no longer covered;
- the last day of the period for which you made any required contributions;
- the last day you are in active employment except as provided under the Once Your Coverage Begins, What Happens If You Are Temporarily Not Working Or If You Are Working Reduced Hours? section; or
- the date you are no longer in active employment due to a disability that is not covered under the plan. The disabilities that are not covered are shown in the What Disabilities Are Not Covered Under Your Plan? section of the Short Term Disability Coverage Benefit Information pages.

### **Does the Coverage under a Plan Replace or Affect any Workers' Compensation or State Disability Insurance?**

The coverage under a plan does not replace or affect the requirements for coverage by workers' compensation or state disability insurance.

### **Does Your Employer Act as Prudential's Agent?**

For purposes of the Group Contract, your Employer acts on its own behalf. Under no circumstances will your Employer be deemed the agent of Prudential.

### **Does This Certificate Address Any Rights to Other Benefits or Affect Your Employment with Your Employer?**

This certificate sets forth only the terms and conditions for coverage and receipt of benefits for Short Term Disability. It does not address and does not confer any rights, or take away any rights, if any, to other benefits or employment with your Employer. Your rights, if any, to other benefits or employment are solely determined by your Employer. Prudential plays no role in determining, interpreting, or applying any such rights that may or may not exist.

### **How Can Statements Made in Your Application for this Coverage be Used?**

Prudential considers any statements you or your Employer make in a signed application for coverage a representation and not a warranty. If any of the statements you or your Employer make are not complete and/or not true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the original effective date.

If a statement is used in a contest, a copy of that statement will be furnished to you or, in the event of your death or incapacity, to your eligible survivor or personal representative.

A statement will not be contested after the amount of insurance has been in force, before the contest, for at least two years during your lifetime.

We will use only statements made in a signed application as a basis for doing this.

If the Employer gives us information about you that is incorrect, we will:

- use the facts to decide whether you have coverage under the plan and in what amounts; and
- make a fair adjustment of the premium.

# Short Term Disability Coverage

## BENEFIT INFORMATION

### How Does Prudential Define Disability?

During the **elimination period**, you are disabled when Prudential determines that:

- you are unable to perform the **material and substantial duties** of your **regular occupation** due to your **sickness** or **injury**;
- you are under the **regular care** of a **doctor**; and
- you are not working at any job for which you are reasonably fitted by your education, training or experience.

After the elimination period, you are disabled when Prudential determines that:

- you are unable to perform the material and substantial duties of your regular occupation due to your sickness or injury; and
- you are under the regular care of a doctor; and
- you have a 20% or more loss in **monthly earnings** due to the same sickness or injury.

The loss of a professional or occupational license or certification does not, in itself, constitute disability.

Prudential will assess your ability to work and the extent to which you are able to work by considering the facts and opinions from:

- your doctors; and
- doctors, other medical practitioners or vocational experts of our choice.

When we may require you to be examined by doctors, other medical practitioners or vocational experts of our choice, Prudential will pay for these examinations. We can require examinations as often as it is reasonable to do so. We may also require you to be interviewed by an authorized Prudential Representative. Refusal to be examined or interviewed may result in denial or termination of your claim.

**Elimination period** means a period of continuous disability which must be satisfied before you are eligible to receive benefits from Prudential.

**Material and substantial duties** means duties that:

- are normally required for the performance of your regular occupation; and
- cannot be reasonably omitted or modified.

**Regular occupation** means the occupation you are routinely performing when your disability begins. Prudential will look at your occupation as it is normally performed instead of how the work tasks are performed for a specific employer or at a specific location.

**Sickness** means any disorder of your body or mind, but not an injury. Sickness includes pregnancy, abortion, miscarriage, childbirth, and any complication related to pregnancy. Disability must begin while you are covered under the plan.

**Injury** means a bodily injury that:

- is the direct result of an accident;
- is not related to any cause other than the accident; and
- results in immediate disability.

Disability must begin while you are covered under the plan.

**Regular care** means:

- you personally visit a doctor as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conforms with generally accepted medical standards, for your disabling condition(s) by a doctor whose specialty or experience is the most appropriate for your disabling condition(s), according to generally accepted medical standards.

**Doctor** means a person who is performing tasks that are within the limits of his or her medical license; and

- is licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- has a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

Prudential will not recognize any relative including, but not limited to, you, your spouse, or a child, brother, sister, or parent of you or your spouse as a doctor for a claim that you send to us.

**For Employees whose compensation is based solely on commissioned sales, bonuses, or overtime:** **Monthly earnings** means 1/12 of your gross income from your Employer in effect for the 12 months prior to your date of disability.

**For all other Employees:** **Monthly earnings** means your gross monthly income from your Employer in effect just prior to your date of disability. Monthly earnings includes the average commissions, bonuses and overtime pay earned per month during the shorter of (i) the 12 month period just prior to your date of disability; or (ii) your period of employment. It does not include, any other extra compensation, or income received from sources other than your Employer.

If you become disabled while you are on a covered layoff or leave of absence, we will use your monthly earnings from your Employer generally in effect just prior to the date your absence begins.

### How Long Must You Be Disabled Before Your Benefits Begin?

You must be continuously disabled through your **elimination period**. Prudential will treat your disability as continuous if your disability stops for 5 consecutive days or less during the elimination period. The days that you are not disabled will not count toward your elimination period.

Your elimination period for disability due to an accident which begins while you are covered is 14 days; your elimination period for disability due to a sickness which begins while you are covered is 14 days.

**Elimination period** means a period of continuous disability which must be satisfied before you are eligible to receive benefits from Prudential.

### When Will You Begin to Receive Disability Payments?

You will begin to receive payments when we approve your claim, providing the elimination period has been met. We will send you a payment every two weeks for any period for which Prudential is liable.

### How Much Will Prudential Pay If You Are Disabled and Not Working?

We will follow this process to figure out your **monthly payment**:

1. Your monthly benefit is the amount for which you are enrolled. It is any multiple of \$100.00 to a maximum of \$2,500.00. At no time will this amount be less than \$300.00.
2. Multiple your monthly earnings by 60%. This is the **maximum monthly benefit**.
3. Compare the answer in item 1 with the maximum monthly benefit. The lesser of these two amounts is your **gross disability payment**.
4. Subtract from your gross disability payment any **deductible sources of income**. This item will only apply if the answer in item 1 and any deductible sources of income combined is greater than the maximum monthly benefit.

That amount figured in item 4 is your monthly payment.

After the elimination period, if you are disabled for less than 2 weeks, we will send you 1/14 of your payment for each day of disability.

**Monthly payment** means your payment after any deductible sources of income have been subtracted from your gross disability payment.

**Maximum monthly benefit** means the maximum benefit amount for which you are eligible to enroll for under this plan as shown in the Benefits Highlights.

**Gross disability payment** means the benefit amount before Prudential subtracts deductible sources of income and disability earnings.

**Deductible sources of income** means income from deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your gross disability payment.

### How Much Will Prudential Pay If You Work While You Are Disabled?

If you are disabled and return to work after satisfying the elimination period, we will send you the monthly payment if your monthly **disability earnings**, if any, are less than 20% of your monthly earnings due to the same sickness or injury.

If you are disabled and your monthly disability earnings are from 20% through 80% of your monthly earnings, due to the same sickness or injury, Prudential will figure your payment as follows:

1. Subtract your disability earnings from your monthly earnings.
2. Divide the answer in item 1 by your monthly earnings. This is your percentage of lost earnings.
3. Multiply your monthly payment by the answer in item 2.

This is the amount converted to a bi-weekly payment and is the amount Prudential will pay you every 2 weeks .

Prudential may require you to send proof of your monthly disability earnings on a monthly basis. We will adjust your payment based on your monthly disability earnings.

As part of your proof of disability earnings, we can require that you send us appropriate financial records, including copies of your IRS federal income tax return, W-2's and 1099's, which we believe are necessary to substantiate your income.

We will not pay you for any month during which disability earnings exceed 80% of monthly earnings.

**Disability earnings** means the earnings which you receive after you have been disabled for 30 days and working, plus the earnings you could receive if you were working to the greatest extent possible. This would be the greatest extent of work, based on your restrictions and limitations, that you are able to do in your regular occupation, that is reasonably available. Salary continuance paid to supplement your disability earnings will not be considered payment for work performed.

### What Happens If Your Disability Earnings Fluctuate?

If your disability earnings are expected to fluctuate widely from week to week, Prudential may average your disability earnings over the most recent 4 weeks to determine if your claim should continue subject to all other terms and conditions in the plan.

If Prudential averages your disability earnings, we will terminate your claim if the average of your disability earnings from the last 4 weeks exceeds 80% of monthly earnings.

We will not pay you for any week during which disability earnings exceed 80% of monthly earnings.

### What Are Deductible Sources of Income?

Prudential will use the following deductible sources of income to figure out your monthly payment:

1. The amount that you receive or are entitled to receive as loss of time disability income payments under any:
  - (a) state compulsory benefit *act* or *law*.
  - (b) insurance or a health or welfare plan or other group insurance plan where the Employer, directly or indirectly, has paid all or part of the cost or made payroll deductions.
  - (c) governmental retirement system as the result of your job with your Employer.

Amounts you receive or are entitled to receive under any blanket group or franchise school accident policy will not be included.

2. The gross amount that you, your spouse and children receive or are entitled to receive as loss of time disability payments because of your disability under:
  - (a) the United States Social Security Act;
  - (b) the Railroad Retirement Act;
  - (c) the Canada Pension Plan;
  - (d) the Quebec Pension Plan; or
  - (e) any similar *plan* or *act*.

Amounts paid to your former spouse or to your children living with such spouse will not be included.

3. The gross amount that you receive as retirement payments under:
  - (a) the United States Social Security Act;
  - (b) the Railroad Retirement Act;
  - (c) the Canada Pension Plan;
  - (d) the Quebec Pension Plan; or
  - (e) any similar *plan* or *act*.

4. The amount that you:

- (a) receive as disability payments under your Employer's **retirement plan**;
- (b) voluntarily elect to receive as retirement or early retirement payments under your Employer's retirement plan; or
- (c) receive as retirement payments when you reach normal retirement age, as defined in your Employer's retirement plan.

Disability payments under a retirement plan will be those benefits which are paid due to disability and do not reduce the retirement benefits which would have been paid if the disability had not occurred.

Retirement payments will be those benefits which are paid based on your Employer's contribution to the retirement plan. Disability benefits which reduce the retirement benefits under the plan will also be considered as a retirement benefit.

Amounts received do not include amounts rolled over or transferred to any eligible retirement plan. Prudential will use the definition of eligible retirement plan as defined in Section 402 of the Internal Revenue Code including any future amendments which affect the definition.

- 5. The amount that you receive, due to your disability, from a third party (after subtracting attorney's fees) by judgment, settlement or otherwise.
- 6. The amount of loss of time benefits that you receive or are entitled to receive after you have been disabled for 30 days under any **salary continuation or accumulated sick leave** to the extent that your monthly payment and deductible sources of income, including any other group disability benefits, exceed or would exceed 60% of your monthly earnings.

With the exception of retirement payments, Prudential will only subtract deductible sources of income which are payable as a result of the same disability.

We will not reduce your payment by your Social Security retirement payments if your disability begins after age 65 and you were already receiving Social Security retirement payments.

**Law, plan or act** means the original enactment of the law, plan or act and all amendments.

**Retirement plan** means a defined contribution plan or defined benefit plan. These are plans which provide retirement benefits to employees and are not funded entirely by employee contributions.

**Salary continuation or accumulated sick leave** means continued payments to you by your Employer of all or part of your monthly earnings, after you become disabled as defined by the Group Contract. This continued payment must be part of an established plan maintained by your Employer for the benefit of an employee covered under the Group Contract. Salary continuation or accumulated sick leave does not include compensation paid to you by your Employer for work you actually perform after your disability begins. Such compensation is considered disability earnings, and would be taken into account as such, in calculating your monthly payment.



## **What Are Not Deductible Sources of Income?**

Here are examples of sources of income that we will not use to figure out your monthly payment:

- 401(k) plans;
- profit sharing plans;
- thrift plans;
- tax sheltered annuities;
- stock ownership plans;
- non-qualified plans of deferred compensation;
- pension plans for partners;
- military pension and disability income plans;
- credit disability insurance;
- franchise disability income plans;
- automobile liability insurance;
- a retirement plan from another Employer;
- individual retirement accounts (IRA).

## **What If Subtracting Deductible Sources of Income Results in a Zero Benefit? (Minimum Benefit)**

The minimum monthly payment is \$100.00.

Prudential may apply this amount toward an outstanding overpayment.

## **What Happens When You Receive a Cost of Living Increase from Deductible Sources of Income?**

Once Prudential has used any deductible source of income to figure out your monthly payment, Prudential will not further reduce your payment due to a cost of living increase from that source.

## **What If Prudential Determines that You May Qualify for Deductible Income Benefits?**

If we determine that you may qualify for benefits under item 1 or 2 in the deductible sources of income section, we will estimate your entitlement to these benefits. We can use the estimated amount to figure out your monthly payment if such benefits have not been awarded.

However, we will NOT use the estimated amount under item 1 or 2 in the deductible sources of income section to figure out your monthly payment if you:

- apply for the benefits;
- appeal any denial to all administrative levels; and
- sign Prudential's Reimbursement Agreement form. This form states that you promise to pay us any overpayment caused by an award.

If your payment has been reduced by an estimated amount, your payment will be adjusted when we receive proof:

- of the amount awarded; or
- that benefits have been denied and all appeals have been completed. In this case, a lump sum refund of the estimated amount will be made to you.

If we determine that you may qualify for benefits under item 6 in the deductible sources of income section, we will estimate your entitlement to these benefits. We can use the estimated amount to figure out your monthly payment if such benefits have not been received.

If your payment has been reduced by an estimated amount, your payment will be adjusted when we receive proof:

- of the amount received; or
- that benefits have been denied. In this case, a lump sum refund of the estimated amount will be made to you.

### What Happens If You Receive a Lump Sum Payment?

If you receive a lump sum payment from any deductible source of income, the lump sum will be pro-rated on a monthly basis over the time period for which the sum was given. If no time period is stated, the sum will be pro-rated on a monthly basis to the end of the maximum period of payment.

### How Long Will Prudential Continue to Send You Payments?

Prudential will send you a payment every two weeks up to the **maximum period of payment**. Your maximum period of payment is 6 months during a continuous period of disability.

We will stop sending you payments while you are incarcerated as a result of a conviction.

We will stop sending you payments and your claim will end on the earliest of the following:

1. When you are able to work in your regular occupation on a **part-time basis** but you choose not to.
2. The end of the maximum period of payment.
3. The date you are no longer disabled under the terms of the plan.
4. The date you fail to submit proof of continuing disability satisfactory to Prudential.

5. The date your disability earnings exceed the amount allowable under the plan.
6. The date you die.

But, if the Group Contract ends, your payments will not stop as long as you remain disabled.

**Maximum period of payment** means the longest period of time Prudential will make payments to you for any one period of disability.

**Part-time basis** means the ability to work and earn between 20% and 80% of your monthly earnings.

### What Disabilities Have a Limited Pay Period Under Your Plan?

Disabilities which are due in whole or part to **mental illness** have a limited pay period.

The limited pay period for mental illness is 3 months.

Prudential will not pay beyond the limited pay period as indicated above.

Prudential will not apply the mental illness limitation to dementia if it is a result of:

- stroke;
- trauma;
- viral infection;
- Alzheimer's disease; or
- other conditions not listed which are not usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment as standardly accepted in the practice of medicine.

**Mental illness** means a psychiatric or psychological condition regardless of cause. Mental illness includes but is not limited to schizophrenia, depression, manic depressive or bipolar illness, anxiety, adjustment disorders, personality disorders or other conditions. These conditions are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment as standardly accepted in the practice of medicine.

### What Disabilities Are Not Covered Under Your Plan?

Your plan does not cover any disabilities caused by, contributed to by, or resulting from your:

- intentionally self-inflicted injuries while sane or insane;
- active participation in a riot;
- commission of a crime for which you have been convicted under state or federal law; or
- **occupational sickness or injury** or any disabilities which begin at the same time or after your occupational sickness or injury. However, Prudential will cover disabilities due to occupational sicknesses or injuries for partners or sole proprietors who are not be covered by workers' compensation law.

Your plan does not cover a disability due to a pre-existing condition.

Your plan does not cover a disability due to war, declared or undeclared, or any act of war.

**Occupational sickness or injury** means an injury arising out of, or in the course of, any work for wage or profit regardless of employer, or a sickness covered, with respect to such work, by any workers' compensation law, occupational disease law or similar law.

### **What Is a Pre-Existing Condition?**

You have a pre-existing condition if both 1. and 2. are true:

1. You received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines, or followed treatment recommendation in the 12 months just prior to your effective date of coverage or the date an increase in benefits would otherwise be available.
2. Your disability begins within 12 months of the date your coverage under the plan becomes effective.

### **How Does a Pre-Existing Condition Affect an Increase in Your Benefits?**

If there is an increase in your benefits due to your enrollment in another plan option, a benefit limit will apply if your disability is due to a pre-existing condition.

You will be limited to the benefits you had on the day before the increase. The increase will not take effect until your disability ends.

### **How Do the Pre-Existing Condition Provisions Work If You Were Covered Under Your Employer's Prior Plan?**

Special rules apply to pre-existing conditions, if this short term disability plan replaces your Employer's prior plan and:

- you were covered by that plan on the day before this plan became effective; and
- you became covered under this plan within thirty-one days of its effective date.

The special rules are:

1. If the Employer's prior plan did not have a pre-existing condition exclusion or limitation, then a pre-existing condition will not be excluded or limited under this plan.
2. If the Employer's prior plan did have a pre-existing condition exclusion or limitation, then the limited time does not end after the first 12 months of coverage. Instead it will end on the date any equivalent limit would have ended under the Employer's prior plan.
3. If the change from your Employer's prior plan to this plan of coverage would result in an increase in your amount of benefits, the benefits for your disability that is due to a pre-existing sickness or injury will not increase. Instead the benefits are limited to the amount you had on the day before the plan change. This applies whether or not the Employer's prior plan had a pre-existing condition exclusion or limitation.

## **What Happens If You Return to Work Full Time and You Become Disabled Again?**

1. If your current disability is related or due to the same cause(s) as your prior disability for which Prudential made a payment:

Prudential will treat your current disability as part of your prior claim and you will not have to complete another elimination period if you return to active employment for your Employer on a full time basis for 3 months or less. Your disability will be subject to the same terms of the plan as your prior claim.

2. If your current disability is unrelated to your prior disability for which Prudential made a payment:

Prudential will treat your current disability as a new claim and you will have to complete another elimination period. Your disability will be subject to all of the plan provisions.

If you become covered under any other group short term disability plan, you will not be eligible for payments under the Prudential plan.

# Short Term Disability Coverage

## CLAIM INFORMATION

### When Do You Notify Prudential of a Claim?

We encourage you to notify us of your claim as soon as possible, so that a claim decision can be made in a timely manner. Telephonic or written notice of a claim should be done within 30 days after the date your disability begins. However, you must notify Prudential via telephone or give written notice of your proof of claim no later than 90 days after your elimination period ends. If it is not possible to give proof within 90 days, it must be given no later than 1 year after the time proof is otherwise required except in the absence of legal capacity.

The claim form is available from your Employer, or you can request a claim form from us. If you do not receive the form from Prudential within 15 days of your request, send Prudential written proof of claim without waiting for the form.

You must notify us immediately when you return to work in any capacity.

### How Do You File a Claim?

You and your Employer must fill out your own section of the claim form and then give it to your attending doctor. Your doctor should fill out his or her section of the form and send it directly to Prudential.

### What Information Is Needed as Proof of Your Claim?

Your proof of claim, provided at your expense, must show:

- That you are under the **regular care** of a **doctor**.
- Appropriate documentation of your monthly earnings.
- The date your disability began.
- Appropriate documentation of the disabling disorder.
- The extent of your disability, including restrictions and limitations preventing you from performing your regular occupation.
- The name and address of any **hospital or institution** where you received treatment, including all attending doctors.
- The name and address of any doctor you have seen.

For your Short Term Disability claim, we may request that you send proof of continuing disability, satisfactory to Prudential, indicating that you are under the regular care of a doctor. In some cases, you will be required to give Prudential authorization to obtain additional medical information, and to provide non-medical information (e.g., copies of your IRS federal income tax return, W-2's and 1099's) as part of your proof of claim, or proof of continuing disability. This proof, provided at your expense, must be received within 30 days of a request by us. Prudential will deny your claim or stop sending you payments if the appropriate information is not submitted.

**Regular care** means:

- you personally visit a doctor as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conforms with generally accepted medical standards, for your disabling condition(s) by a doctor whose specialty or experience is the most appropriate for your disabling condition(s), according to generally accepted medical standards.

**Doctor** means a person who is performing tasks that are within the limits of his or her medical license; and

- is licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- has a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

Prudential will not recognize any relative including, but not limited to, you, your spouse, or a child, brother, sister, or parent of you or your spouse as a doctor for a claim that you send to us.

**Hospital or institution** means an accredited facility licensed to provide care and treatment for the condition causing your disability.

## Who Will Prudential Make Payments To?

Prudential will make payments to you.

## What Happens If Prudential Overpays Your Claim?

Prudential has the right to recover any overpayments due to:

- fraud;
- any error Prudential makes in processing a claim; and
- your receipt of deductible sources of income.

You must reimburse us in full. We will determine the method by which the repayment is to be made.

Prudential will not recover more money than the amount we paid you.

### **What Are the Time Limits for Legal Proceedings?**

You can start legal action regarding your claim 60 days after proof of claim has been given and up to 3 years from the time proof of claim is required, unless otherwise provided under federal law.

### **How Will Prudential Handle Insurance Fraud?**

Prudential wants to ensure you and your Employer do not incur additional insurance costs as a result of the undermining effects of insurance fraud. Prudential promises to focus on all means necessary to support fraud detection, investigation and prosecution.

In some jurisdictions, if you knowingly and with intent to defraud Prudential, file an application or a statement of claim containing any materially false information or conceal for the purpose of misleading, information concerning any fact material thereto, you commit a fraudulent insurance act, which is a crime and subjects you to criminal and civil penalties. These actions will result in denial or termination of your claim, and, where such laws apply, are subject to prosecution and punishment to the full extent under any applicable law. Prudential will pursue all appropriate legal remedies in the event of insurance fraud.



## Glossary

**Active employment** means you are working for your Employer for earnings that are paid regularly and that you are performing the material and substantial duties of your regular occupation. You must be working at least the minimum number of hours as designated by your HCA Affiliated Facility. If you are a partner or proprietor of the Employer, that work must be in the conduct of the Employer's business.

Your worksite must be:

- your Employer's usual place of business;
- an alternate work site at the direction of your Employer other than your home unless clear specific expectations and duties are documented; or
- a location to which your job requires you to travel.

Normal vacation is considered active employment.

Temporary and seasonal workers are excluded from coverage.

Individuals whose employment status is being continued under a severance or termination agreement will not be considered in active employment.

**Annual enrollment period** means a period each year when you may enroll for coverage or request a change for the following calendar year. Your Employer will notify you of when this Annual Enrollment Period begins and ends.

**Benefit waiting period** means the continuous period of time that you must be in a covered class before you are eligible for coverage under a plan. The period must be agreed upon by the Employer and Prudential.

**Contract holder** HCA MANAGEMENT SERVICES, LP ON BEHALF OF THE PLAN ADMINISTRATION COMMITTEE, to whom the Group Contract is issued.

**Covered class** means your class as determined by the Contract Holder. This will be done under the Contract Holder's rules, on dates the Contract Holder sets. The Contract Holder must not discriminate among persons in like situations. You cannot belong to more than one class for insurance on each basis, Contributory or Non-contributory Insurance, under a plan. "Class" means covered class, benefit class or anything related to work, such as position or earnings, which affects the insurance available. If you are an employee of more than one Employer included under the Group Contract, for the insurance you will be considered an employee of only one of those Employers. Your service with the others will be treated as service with that one.

**Deductible sources of income** means income from deductible sources listed in the plan that you receive or are entitled to receive while you are disabled. This income will be subtracted from your gross disability payment.

**Disability earnings** means the earnings which you receive while you are disabled and working, plus the earnings you could receive if you were working to your greatest extent possible as explained in the plan.

Salary continuance paid to supplement your disability earnings will not be considered payment for work performed.

**Doctor** means a person who is performing tasks that are within the limits of his or her medical license; and

- is licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- has a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

Prudential will not recognize any relative including but not limited to you, your spouse, or a child, brother, sister, or parent of you or your spouse as a doctor for a claim that you send to us.

**Elimination period (STD)** means a period of continuous disability which must be satisfied before you are eligible to receive benefits from Prudential.

**Employee** means a person who is in active employment with the Employer for the minimum hours requirement.

**Employer** Employers who are HCA Inc.'s subsidiaries or affiliates.

**Evidence of insurability** means a statement of your medical history which Prudential will use to determine if you are approved for coverage.

**Gross disability payment** means the benefit amount before Prudential subtracts deductible sources of income and disability earnings.

**Hospital or institution** means an accredited facility licensed to provide care and treatment for the condition causing one's disability.

**Injury** means a bodily injury that:

- is the direct result of an accident;
- is not related to any cause other than the accident; and
- results in immediate disability.

Disability must begin while you are covered under the plan.

**Insured** means any person covered under a coverage.

**Law, plan or act** means the original enactment of the law, plan or act and all amendments.

**Material and substantial duties** means duties that:

- are normally required for the performance of your regular occupation; and
- cannot be reasonably omitted or modified.

**Maximum period of payment** means the longest period of time Prudential will make payments to you for any one disability.

**Maximum monthly benefit** means the maximum benefit amount for which you are eligible to enroll for under this plan as shown in the Benefits Highlights.

**Mental illness** means a psychiatric or psychological condition regardless of cause. Mental illness includes but is not limited to schizophrenia, depression, manic depressive or bipolar illness, anxiety, adjustment disorders or other conditions. These conditions are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment as standardly accepted in the practice of medicine.

**Monthly earnings** means your gross monthly income from your Employer as defined in the plan.

**Monthly payment** means your payment after any deductible sources of income have been subtracted from your gross disability payment.

**Occupational sickness or injury** means an injury arising out of, or in the course of, any work for wage or profit regardless of employer, or a sickness covered, with respect to such work, by any workers' compensation law, occupational disease law or similar law.

**Part-time basis (STD)** means the ability to work and earn between 20% and 80% of your monthly earnings.

**Payable claim** means a claim for which Prudential is liable under the terms of the Group Contract.

**Plan** means a line of coverage under the Group Contract.

**Reduced hours** means you are working less than the number of hours required to be considered in active employment.

**Regular care** means:

- one personally visits a doctor as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat one's disabling condition(s); and
- one is receiving the most appropriate treatment and care, which conforms with generally accepted medical standards, for one's disabling condition(s) by a doctor whose specialty or experience is the most appropriate for one's disabling condition(s), according to generally accepted medical standards.

**Regular occupation** means the occupation you are routinely performing when your disability begins. Prudential will look at your occupation as it is normally performed instead of how the work tasks are performed for a specific employer or at a specific location.

**Retirement plan** means a defined contribution plan or defined benefit plan. These are plans which provide retirement benefits to employees and are not funded entirely by employee contributions.

**Salary continuation or accumulated sick leave (STD)** means continued payments to you by your Employer of all or part of your monthly earnings, after you become disabled as defined by the Group Contract. This continued payment must be part of an established plan maintained by your Employer for the benefit of an employee covered under the Group Contract. Salary continuation or accumulated sick leave does not include compensation paid to you by your Employer for work you actually perform after your disability begins. Such compensation is considered disability earnings, and would be taken into account as such, in calculating your monthly payment.

**Sickness** means any disorder of your body or mind, but not an injury. Sickness includes pregnancy, abortion, miscarriage, childbirth, and any complication related to pregnancy. Disability must begin while you are covered under the plan.

***We, us, and our*** means The Prudential Insurance Company of America.

***You*** means a person who is eligible for Prudential coverage.

**The Claims and Appeals Section  
is not part of the  
Group Insurance Certificate.**

## **Plan Benefits Provided by**

The Prudential Insurance Company of America  
751 Broad Street  
Newark, New Jersey 07102

This Group Contract underwritten by The Prudential Insurance Company of America provides insured benefits. For all purposes of this Group Contract, the Employer/Policyholder acts on its own behalf or as an agent of its employees. Under no circumstances will the Employer/Policyholder be deemed the agent of The Prudential Insurance Company of America, absent a written authorization of such status executed between the Employer/Policyholder and The Prudential Insurance Company of America. Nothing in these documents shall, of themselves, be deemed to be such written execution.

The Prudential Insurance Company of America as Claims Administrator has the sole discretion to interpret the terms of the Group Contract, to make factual findings, and to determine eligibility for benefits. The decision of the Claims Administrator shall not be overturned unless arbitrary and capricious.

## **Claim Procedures**

### **1. Determination of Benefits**

Prudential shall notify you of the claim determination within 45 days of the receipt of your claim. This period may be extended by 30 days if such an extension is necessary due to matters beyond the control of the plan. A written notice of the extension, the reason for the extension and the date by which the plan expects to decide your claim, shall be furnished to you within the initial 45-day period. This period may be extended for an additional 30 days beyond the original 30-day extension if necessary due to matters beyond the control of the plan. A written notice of the additional extension, the reason for the additional extension and the date by which the plan expects to decide on your claim, shall be furnished to you within the first 30-day extension period if an additional extension of time is needed. However, if a period of time is extended due to your failure to submit information necessary to decide the claim, the period for making the benefit determination by Prudential will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If your claim for benefits is denied, in whole or in part, you or your authorized representative will receive a written notice from Prudential of your denial. The notice will be written in a manner calculated to be understood by you and shall include:

- (a) the specific reason(s) for the denial,
- (b) references to the specific plan provisions on which the benefit determination was based,
- (c) a description of any additional material or information necessary for you to perfect a claim and an explanation of why such information is necessary,
- (d) a description of Prudential's appeals procedures and applicable time limits, and
- (e) if an adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination will be provided free of charge upon request.

## 2. Appeals of Adverse Determination

If your claim for benefits is denied or if you do not receive a response to your claim within the appropriate time frame (in which case the claim for benefits is deemed to have been denied), you or your representative may appeal your denied claim in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

A full review of the information in the claim file and any new information submitted to support the appeal will be conducted by Prudential, utilizing individuals not involved in the initial benefit determination. This review will not afford any deference to the initial benefit determination.

Prudential shall make a determination on your claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date that Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If the claim on appeal is denied in whole or in part, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include:

- (a) the specific reason(s) for the adverse determination,
- (b) references to the specific plan provisions on which the determination was based,
- (c) a statement that you are entitled to receive upon request and free of charge reasonable access to, and make copies of, all records, documents and other information relevant to your benefit claim upon request,
- (d) a description of Prudential's review procedures and applicable time limits,
- (e) a statement that you have the right to obtain upon request and free of charge, a copy of internal rules or guidelines relied upon in making this determination, and
- (f) a statement describing any appeals procedures offered by the plan.

If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

If the appeal of your benefit claim is denied or if you do not receive a response to your appeal within the appropriate time frame (in which case the appeal is deemed to have been denied), you or your representative may make a second, voluntary appeal of your denial in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your second appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

Prudential shall make a determination on your second claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date by which Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

Your decision to submit a benefit dispute to this voluntary second level of appeal has no effect on your right to any other benefits under this plan. If you elect to initiate a lawsuit without submitting to a second level of appeal, the plan waives any right to assert that you failed to exhaust administrative remedies. If you elect to submit the dispute to the second level of appeal, the plan agrees that any statute of limitations or other defense based on timeliness is tolled during the time that the appeal is pending.

If the claim on appeal is denied in whole or in part for a second time, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include the same information that was included in the first adverse determination letter. If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.





**Engagement Schedule No. 1**  
**Administrative Claims Services -- HCA**

Subject to the terms of the Third Party Administrator Master Services Agreement dated March 1, 2012 between The Prudential Insurance Company of America ("Prudential") and Sedgwick Claims Management Services, Inc. ("Vendor" or Sedgwick") (the "Agreement"), and the terms of this Engagement Schedule No. 1 (the "Engagement Schedule") dated April 1, 2012 (the "Effective Date"), Vendor agrees to perform the following Services for and on behalf of Prudential. Capitalized terms used in this Engagement Schedule and not otherwise defined herein shall have the meanings set forth in the Agreement.

**1. Services:**

This Engagement Schedule relates to the short term disability ("STD") insurance coverage issued to HCA Management Services, LP on behalf of the Plan Administration Committee ("HCA") by The Prudential Insurance Company of America under Group Contract Number G-44028-TN-1, as modified by Form 83500 MPP 1001, and the underlying booklet certificate (collectively the "Group Contract"). During the Term of this Engagement Schedule, Sedgwick will provide administrative claim Services to HCA on Prudential's behalf in accordance with the terms and conditions of the Agreement, this Engagement Schedule, and the Group Contract. Under this Engagement Schedule, Sedgwick shall perform the Services set forth in the following sections and as further detailed in the appendices listed below. The appendices are attached hereto and incorporated into this Engagement Schedule in full.

- Section 1: Description of Services
- Section 2: Fees and Payment Process
- Section 3: Service Standards
- Section 4: Tax Services
- Section 5: Phase I Benefit Payment Process
- Section 6: Phase II Benefit Payment Process Implementation Plan
- Section 7: Overpayment Recovery Process and Waiver Process

**Appendices**

- Appendix A: Intake, integrated STD, STD and Long Term Disability ("LTD") Work flow
- Appendix B: Appeal Process
- Appendix C: Overpayment Process
- Appendix D: Communications
- Appendix E: Funding Process
- Appendix F: File Layout and Data Transmission

**2. Term:**

The term of this Engagement Schedule shall commence on the Effective Date noted in the first paragraph above and continue for a period of three (3) years (the "Initial Term"), at which time the Engagement Schedule shall terminate, unless otherwise extended by the parties. After the Initial Term, the parties may from time to time, by mutual agreement documented in the form of a written amendment hereto, extend the term of the Engagement Schedule (each a "Renewal Term"). Notwithstanding the foregoing or anything else to the contrary herein, either party may terminate this Engagement Schedule in accordance with the terms of the Agreement including, but not limited to, termination without cause pursuant to Section 2.2.2 of the Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term".

**3. Addresses for Notices:**

Notices under this Engagement Schedule shall be sent to the following:

If to Prudential:

The Prudential Insurance Company of America  
80 Livingston Avenue  
Roseland, NJ 07068  
Attention: Terrie Sorensen, Vice President

with copies to:

The Prudential Insurance Company of America  
80 Livingston Avenue  
Roseland, NJ 07068  
Attention: Michael J. Scharpf, Chief Legal Officer, Group Insurance

and

The Prudential Insurance Company of America  
55 Livingston Avenue  
Roseland, New Jersey 07068  
Attention: Roy A. Shulman, Chief Legal Officer, Operations & Systems

If to Sedgwick:

Sedgwick Claims Management Services, Inc.  
1100 Ridgeway Loop Road, Suite 200  
Memphis, TN 38120  
Attention: Corporate Legal Department

IN WITNESS WHEREOF, the parties have executed this Engagement Schedule by their duly authorized representatives.

Sedgwick Claims Management Services, Inc.

By: [Signature]

Print Name: Stephen B. Hedrick

Title: Senior Vice President

Date: 29 May 2012

The Prudential Insurance Company of America

By: [Signature]

Print Name: Charles F. Lowrey

Title: EVP & COO

Date: 5-15-2012



Section 1  
Sedgwick (Claim Service Administrator)  
**SERVICE ADMINISTRATOR DUTIES**

Sedgwick shall perform the following Services:

STD claim administration of HCA STD claims made by HCA employees ("Claimants") based on the coverage provided in the Group Contract and in accordance with and subject to all laws, rules and regulations.

Assign staff and management staff to oversee the claim administration and Services of Prudential's HCA account. Services shall be provided to meet the service standards and/or performance guarantees set forth in Section 3 below. Sedgwick shall assign a joint Prudential and HCA dedicated account manager.

Perform STD intake via telephonic services via a Sedgwick toll free line and via 24 hour Sedgwick web based service.

Determine Claimant eligibility for STD based on eligibility information provided by HCA. Sedgwick will access information provided by HCA to determine the benefit effective date for the core STD benefit and to determine if the Claimant has purchased the STD buy up plan. The LTD coverage effective date will be identified and assigned to the claim to be monitored for LTD transition.

Analyze and investigate STD requests in accordance with the terms of the Group Contract and the definition of disability in the Group Contract.

Advise HCA and Claimant in writing of receipt of STD claim, whether or not the Claimant qualifies for STD under the Group Contract. Samples of form communications are included in Appendix D. Reach out for and obtain medical information to determine if the Claimant meets the definition of disability and if they are approved for STD under the Group Contract based on the obtained medical documentation.

Distribute payment of benefits to the Claimant as directed in the STD policy provisions of the Group Contract. Includes managing deductions and taxes, and any tax reporting to state and or federal agencies. Report tax withholding to HCA. A more detailed description of these Services is set forth below in Section 4.

Provide access to claim information on Sedgwick's *viaOne* Application Service to HCA designated representatives, HCA Claimants, and Prudential designated representatives, in accordance with and subject to the terms of Exhibit 3 of the Agreement.  
Provide FICA match Services to HCA and Claimants as further detailed in Section 4 of this Engagement Schedule.

Review the status of each Claimant's eligibility for STD at appropriate intervals, review any ongoing supporting documentation and determine if the Claimant continues to be eligible for STD, and that the STD is supported with medical documentation.

Determine duration of STD claim. Utilize industry recognized and accepted evidence based duration guidelines to determine the appropriate duration for the diagnosis as provided by the Claimant's provider. Updates to guidelines to incorporate the ICD-10 conversion will be completed by Sedgwick no later than October 1, 2013.

Handle inquiries and follow-ups from Claimants, HCA, and Prudential, and other interested parties (Customer service Services).

Collect, review and validate attending physician statements, documentation and other necessary paperwork.

Involve Sedgwick Nurse Case Manager clinical review when necessary on STD claims to manage claims and Return to Work ("RTW") efforts as appropriate.

Obtain physician review and set up Independent Medical Examinations ("IME's") with approval by the Prudential claim liaison.

Extend STD claims as appropriate under the Group Contract provisions with supporting documentation.

Collect Fit for Duty Forms and notify HCA of return to work date.

Provide HCA designated contact e-mail notification, reporting or access to information regarding STD requests, status updates and change in dates as further detailed in the work flows set forth in Appendix A.

Provide a weekly data file to Prudential of all claims reaching the 11<sup>th</sup> week of the LTD elimination period for possible LTD.

Provide information and reporting to Prudential to support underwriting, banking (see Appendix F), actuarial (see Appendix F), data warehouse and other Prudential functions as necessary to support tracking and evaluation of HCA experience.

Provide reporting and/or access to reporting as requested by HCA and/or required based on HCA coverage.

Provide Sedgwick resource to attend weekly and other conference calls as agreed in the work flow in Appendix A.

Administer STD appeal process (per agreed upon work flow) including communication to Claimant, Prudential and HCA. The Appeal Process is detailed further in Appendix B.

Perform overpayment recovery Services per the agreed upon process, as further detailed in Section 7 of this Engagement Schedule.

Pursue RTW opportunities with HCA as indicated by the claim circumstances and HCA accommodation availability. Contact Prudential for additional RTW assistance from Vocational Rehab Counselors through the HCA liaison.

Note that although referenced in several of the Appendices attached to this Engagement Schedule, FMLA administration is not included in the scope of Services. Any reference to FMLA or any FMLA processes is for context and references purposes only.

Section 2  
Fees and Payment Terms

**ASO Fees and Schedule**

HCA pays Prudential under the Group Contract for STD core and buy up fees on a monthly basis in arrears. Following Prudential's receipt of HCA's fees under the Group Contract, Prudential will pay Sedgwick the monthly PEPM Fees. Prudential's payment to Sedgwick will be made monthly in arrears based on the prior month's covered lives count (as reported to Sedgwick and Prudential by HCA or HCA's designee). By way of example, the PEPM Fees paid in the month of April are for Services provided by Sedgwick in March, and are based on the covered lives count reported for the month of March. Prudential will release payment of the monthly PEPM Fees to Sedgwick no later than seven (7) business days after Prudential's receipt of HCA's fees under the Group Contract. Any undisputed PEPM Fees that remain unpaid for longer than sixty (60) days after their due date will incur interest on the undisputed amount at the rate of two percent (2.0%) per month until such undisputed amounts are paid, unless the interest is prohibited by law in which case no interest shall apply.

Prudential shall compensate Sedgwick for the Services set forth in the Engagement Schedule a fee of two dollars and fifty one cents (\$2.51) per HCA covered life per month (the "PEPM Fee").

The PEPM Fee is based on the volume and other assumptions set forth in the table below, and is only subject to modification in the event a trigger in the table is met. Prior to any change in the PEPM rate, both parties will meet to discuss the volumes and any fee adjustment.

Item	STD
Participating lives (a/k/a covered lives)	102,000
New claim volume	10,710
Open claim volume	1,230
Baseline incidence rate	10.50%
Deadband upper	12.075%
No rate change if claim volume at or below	12,317
Deadband lower	8.925%
No rate change if claim volume at or over	9,104

PEPM baseline (with checks) (1)	\$2.51
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PEPM incremental adjustment based on trigger (2)	\$0.28
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Initial trigger for adjustment upward	12.076%
Initial rate adjustment upward trigger at this volume	12,318
Initial trigger for adjustment downward	8.924%



Initial rate adjustment downward trigger at this volume	9,103
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Subsequent triggers for adjustment upward (15%)	13.887%
Initial rate adjustment upward trigger at this volume	14,165
Subsequent triggers for adjustment downward (15%)	7.585%
Initial rate adjustment downward trigger at this volume	7,737

**Qualifiers:**

(1) All PEPM rates assume standard CS Hours of Ops (7AM - 8PM M-F, eastern time).

(2) Incidence change will be measured in semi-annual review of the previous 6 months. If it is determined a PEPM adjustment is warranted based on the volume, the adjustment will be applied on a retrospective basis for the months where the incidence level exceeded the threshold and the adjustment will remain in effect until the next 6 month measurement.

**Claim Benefit Payments**

All claim benefit payments made under the Group Contract will be paid by Sedgwick and reimbursed to Sedgwick by Prudential via a weekly funding methodology. A more detailed description of the funding and payment process is set forth in Section 5 below and Appendix E.

**Additional pass through expenses**

The PEPM Fee includes all fees and costs due from Prudential for Sedgwick's Services set forth in this Engagement Schedule (access to the Application Services as further described in Exhibit 3 to the Agreement, is also included in the PEPM Fee), except those costs for services performed by third party vendors. Such amounts are referred to herein as "Pass Through Expenses." Pass Through Expenses will be billed to Prudential by Sedgwick when incurred via the standard weekly funding methodology.

Common Disability Pass Through Expenses include:

- Independent Medical Examinations / Functional Capacity Evaluations – average cost \$700 but actual costs vary by type of service
- Vocational evaluations – average cost \$700
- Special investigation unit services
- Collection agency services – based on vendor schedule
- Physician advisory services - average \$200/review

Prudential will invoice HCA for reimbursement of Pass Through Expenses.

Section 3  
Service Standards

Unless or until Sedgwick and Prudential agree to formal performance guarantees including corresponding credits related to the following standards, Sedgwick shall make best efforts to meet and/or exceed the following:

Customer Service

85% of Calls received by customer service center will be answered within 30 seconds or less excluding calls that abandon in less than 30 seconds

$\leq 2\%$  Abandonment Rate - Calls received will hang up while waiting to be answered

STD Claim Administration

80% of claim decisions (approved or denied) are made within 10 business days of the latter of the reported date or date of disability.

98% Financial Accuracy of claims based on a random sample of total processed claim dollars. This is calculated as claim dollars processed correctly divided by total claim dollars processed. Claim dollars processed correctly equals total claim dollars processed minus the absolute value of dollars processed in error.

98% Transactional Accuracy of claims in a random sample reviewed shall be accurate for data integrity (inclusive of claim coding, letter accuracy, etc)

98% of inquiries requiring a return call shall be handled within 1 business day

98% of LTD referrals based on random audit will be referred based on agreed upon timelines

Reporting

No later than thirty (30) days after the end of each quarter during the Term, Sedgwick at its expense shall deliver to Prudential in electronic form the service standards identified in this Section 3.

Section 4  
Tax Services (FICA Match)

All information reporting and withholding requirements performed by Sedgwick will be done using its name and Employer Identification Number (EIN). Unless otherwise noted, Sedgwick is responsible for all information reporting and withholding requirements associated with benefits payments, including:

- Withholding the required amount of FICA (i.e. Social Security and Medicare tax), if any, from Claimant benefit payments.
- Matching dollar for dollar, the amount of FICA tax, if any, required to be withheld from benefit payments, i.e., the “employer FICA match”. If Sedgwick is required to advance any funds for the match, Prudential shall reimburse Sedgwick the full amount of any sums so advanced.
- Withholding any voluntary federal income tax amounts, if any, that Claimants elect to have withheld from their benefit payments.
- Depositing all above amounts withheld and matched in accordance with applicable laws rules and regulations including but not limited to all federal and state deposit guidelines.
- By January 31<sup>st</sup> of the year following the year that benefit payments were made providing a form W-2, Wage and Tax Statement, to each Claimant who received benefit payments during the year.
- Filing Copy A of all Forms W-2 with the Social Security Administration by the applicable due date (i.e., March 31<sup>st</sup> of the following calendar year for electronic filers, unless an extension is granted).
- By the last day of the month following the end of each calendar quarter, filing a Federal Form 941, Employer’s Quarterly Federal Tax Return, with the Internal Revenue Service, that reports the required information for the calendar quarter.
- Sedgwick’s information reporting and withholding requirements do not extend to federal and state unemployment taxes. However, Sedgwick will provide HCA with quarterly FICA withholding reports for HCA to use to determine their federal and state unemployment tax obligations.

Section 5  
Phase 1 Benefit Payment Process

Checks (benefit payments) to Claimants will be administered on Prudential's behalf by Sedgwick beginning the Engagement Schedule Effective Date. Sedgwick check stock will be utilized from a Sedgwick owned bank account from the Effective until the process set forth in Section 6 below commences. Funding and process for funding the bank account is described in Appendix E.

Program requirements of Phase 1 are as follows:

- All payments processed, including check disbursements on Sedgwick Check stock, non-check disbursements such as EFT payments and tax payments are processed from Sedgwick owned bank account (s) – differences between check disbursements accounts, ACH ready accounts for EFT and other payroll accounts (tax) will be transparent to Prudential.
- These bank accounts are owned under Sedgwick's Tax ID and all cash related items are based on Sedgwick financial policies and requirements.
- Checks generated are under Sedgwick signatory names.
- Sedgwick is responsible for all bank and cash reconciliation activities and for processing all check related bank transactions such as stop payments, issue files, exception processing (e.g. forgery tracking, fraud requests) and unclaimed /abandoned properties reporting as well as refund check deposits and live check processing
- Data transmission of claim payment and reconciliations will be conducted weekly
- Prudential will have final approval authority of check stock used for payment of benefits under the Group Contract.

## Section 6

### Phase 2 Benefit Payment Process Implementation Plan

Phase 2 of the benefit payment process will convert payment of HCA benefits payments to Claimants from Sedgwick check stock to Prudential owned check stock administered by Sedgwick. In addition, the benefit payments will be made from a Prudential owned bank account(s). Implementation of Phase 2 led by Prudential will begin no later than 5/1/2012. Phase 2 effective date is January 1, 2013.

To achieve a 1/1/2013 effective date, weekly implementation meetings will commence the first week of May to design the Phase 2 benefit payment process business requirements

Both parties will provide the necessary representation to design the requirements with a targeted completion date of the business requirements no later than 8/31/2012.

Business Requirements will include, but not be limited to, documentation of the processes, data requirements, file transmissions to and from Sedgwick and Prudential. Requirements will be designed to meet both parties needs for purposes of banking, administration, reporting and tracking.

Testing of file layouts and data elements will commence no later than 9/1/2012.

The final agreed upon process, and any other terms and conditions governing the Phase 2 benefit payment process, will be documented in the form of a written amendment to this Engagement Schedule executed by the parties prior to the January 1, 2013 commencement date.

Section 7  
Overpayment Recovery Process and Waiver Process

**Overpayment Recovery Process**

The process of collecting benefit overpayments shall be performed by Sedgwick based on the mutually agreed upon process outlined in Appendix C.

The wavier of the process outlined in Appendix C, the wavier of the overpayment and authority to make wavier of overpayment decisions is outlined below.

**Waiver Guidelines**

All factors should be weighed before considering overpayment waiver, i.e., how the overpayment occurred, how long ago it occurred, chances of recovery and the associated costs of recovery.

Overpayments under \$50.00 should be waived if they cannot be recovered by withholding future benefits, as the cost to recover would exceed the amount due.

Overpayments between \$50.00 and \$100.00 may be waived without any attempt at recovery if appropriate (example: A \$75.00 overpayment exists when Claimant dies and there is no family or estate to assume the last liabilities).

An overpayment over \$100.00 should not be waived without at least one attempt at recovery, unless the overpayment is discovered long after it occurred (i.e. - six months or more), and the delayed discovery is not a result of the Claimant's failure to notify Sedgwick of the reason for the overpayment.

If it is determined that recovery cannot or should not be obtained, the following waiver authority guidelines apply and shall be coordinated through the HCA/Sedgwick Liaison:

<u>Amount not exceeding</u>	<u>Review level</u>
\$ 750.00	Sedgwick Disability Specialist I-III
\$ 5,000.00	Sedgwick Supervisor
\$ 10,000.00	Refer to Pru-Melanie Coddington/Steve McGonagle
\$ 25,000.00	Refer to Pru-Melanie Coddington/Steve McGonagle
\$ 50,000.00	Refer to Pru-Patricia Wands
Unlimited	Refer to Pru-Gretchen Phillips

Any overpayment being waived needs to be authorized by the person who has the proper authority to waive the overpayment. That waiver needs to be documented in the Sedgwick's system.

Note: In the year that an overpayment is waived, based on the taxability of the benefit, an Internal Revenue Service Form 1099Misc may be sent by Sedgwick to the Claimant at year end.

**AMENDMENT TO GROUP CONTRACT NO. G-44028-TN-1**

By their signatures below, the Contract Holder and Prudential agree that the Group Contract is changed as follows:

- The insurance form listed in Column I below is attached to this Amendment; it forms part of the Group Contract as of its Effective Date. The form listed in Column I replaces, as of its Effective Date, the corresponding insurance form listed in Column II.

**Column I**

83500 MPP 1001 (44028-20) A  
effective January 1, 2013

**Column II**

83500 MPP 1001 (44028-20)  
effective April 1, 2012

Date: \_\_\_\_\_, 20  
\_\_\_\_\_

- HCA MANAGEMENT SERVICES, LP ON BEHALF  
OF THE PLAN ADMINISTRATION COMMITTEE -  
(Contract Holder)

By: CMS GP, LLC, its general partner

Witness: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature and Title)

Roseland, NJ

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

By:   
Vice President, Contracts

April 30, 2013



## MODIFICATION OF GROUP CONTRACT'S BENEFITS AND PREMIUMS

"The Group Contract" means Group Contract No. G-44028-TN-1

This Modification is made because the Contract Holder has established an Employee Benefit Program apart from the Group Contract. The benefits under the Employee Benefit Program are similar to those under the Group Contract. This Modification applies only to the classes of Employees and the Coverages named in the Schedule, and only with respect to benefits that become due on and after the date this Modification takes effect. Benefits for Employees under the Coverages will become payable by Prudential under the Group Contract only after benefits payable by the Contract Holder under the Employee Benefit Program reach a limit as described in this Modification.

As used in this Modification, "Employees" means only Employees in the classes named in the Schedule and "Coverages" means only the Coverages of the Group Contract named in the Schedule.

When the term "Contract period" is used in this Modification, it means the following:

- (1) First Contract period: April 1, 2012 – December 31, 2012
- (2) Second Contract period: January 1, 2013 – December 31, 2013
- (3) Third Contract period: January 1, 2014 – December 31, 2014

A Contract Period includes only the time during which the Group Contract is in effect.

### A. SCHEDULE.

**Class of Employees:** All full-time or part-time Employees who are employed by HCA-Affiliated Facilities that have elected to offer the Core short term disability plan.

**Coverages:** Short Term Disability Coverage

#### Premium Rate:

	Monthly Rate Per Employee*
First Contract period	\$4.38
Second Contract period	\$5.60
Third Contract period	\$5.60

\*The Monthly Rate Per Employee may be adjusted while this Modification is in effect to reflect changes to the administrative fees paid to Sedgwick Claims Management Services, Inc.

Maximum Dollar Factor:	Factor Per Employee
First Contract period	\$71.26 per month
Second Contract period	\$94.68 per month
Third Contract period	\$97.52 per month

<b>Post-termination Dollar Factor:</b>	<b>Factor Per Employee</b>
First Contract period	\$255.43
Second Contract period	\$263.09
Third Contract period	\$270.98

Claim administration fee for claims submitted prior to the end of this Modification ("Run out Claims") – \$269.00 per open claim.

## **B. WHILE THIS MODIFICATION IS IN EFFECT.**

During the time this Modification is in effect:

- (1) Prudential's obligation under the Group Contract as to Employees under the Coverages is governed by this Modification and by the Group Contract's Claim Rules.
- (2) Until \$855.13 in benefits become payable for the short term disability benefits of an Employee during the first Contract period, \$1,136.19 in benefits become payable for the short term disability benefits of an Employee during the second Contract period or \$1,170.28 in benefits become payable for the short term disability benefits of an Employee during the third Contract period, the benefit provisions of the Coverages with respect to that Employee are considered to be only a Benefit Formula. Benefit Formula amounts are used to compute the amount of benefits payable according to this Modification.
- (2) In each Contract Period, Prudential is required to pay benefits under the Coverages only after the Benefit Maximum is reached. Once the Benefit Maximum is reached in a Contract Period, Prudential will pay the benefits that become due to Employees under the Coverages for the rest of that Contract Period.

The Benefit Maximum will be reached when the total amount of benefits that become due under the Benefit Formula during a Contract Period equals the amount of the Benefit Maximum. The amount of each benefit payable is determined under the Benefit Formula.

At any time during a Contract Period, the amount of the Benefit Maximum is equal to the product of (1), (2), and (3), where:

- (1) is the Maximum Dollar Factor then in effect;
- (2) is the greater of 12 and the total number of months in that Contract Period; and
- (3) is the Average Number of Covered Employees.

While the Group Contract has been in effect for less than three months, the average Number of Covered Employees for this purpose is equal to the Number of Covered Employees on the first day of the Contract Period.

While the Group Contract has been in effect for three months or more, the average Number of Covered Employees for this purpose is computed as follows:

- (a) The sum of the Numbers of Covered Employees on the first days of certain contract months is determined. The contract months used for this sum are (i) the last three contract months that began in the preceding Contract Period, if any, and (ii) all of the contract months that have begun in the current Contract Period and while this Modification is in effect, except for the last three.
- (b) The sum in (a) is divided by the number of contract months used to determine that sum.

### **C. HOW THIS MODIFICATION MAY BE ENDED.**

Prudential may end this Modification if the Contract Holder:

- (1) Changes the Employee Benefit Program; or
- (2) Does not supply enough funds to pay its obligations under the Employee Benefit Program for three working days in a row.

Unless the Contract Holder and Prudential have agreed otherwise, this Modification will end if any part of the Employee Benefit Program ends or if any part of the Group Contract ends.

In any event, the Contract Holder or Prudential may end this Modification on the day before any Premium Due Date of the Group Contract, but only if written notice of the termination is given to the other party at least 60 days before the Modification is to end.

### **D. AFTER THIS MODIFICATION ENDS.**

As of the date this Modification ends, the part of the Group Contract which provides the Coverages for Employees will also end.

Once this Modification ends, the obligations of the Contract Holder and Prudential with respect to claims for benefits under the Coverages will be the same as they would be if the Modification had not ended, except as stated in this section.

If a benefit becomes due under the Coverages after this Modification ends, Prudential will pay the benefit, but only if that benefit:

- (1) Results from a loss which occurred before this Modification ended or is payable only under an extension of benefits provision; and
- (2) Becomes due after the earlier of (a) the date the Post-termination Maximum is reached, and (b) one year after the Modification ends.

The Post-termination Maximum will be reached when the total amount payable under the Coverages for benefits that become due after this Modification ends equals the amount of the Post-termination Maximum. In order for the benefits payable to count towards the Post-termination Maximum, the benefit:

- (1) Must result from a loss which occurred before this Modification ended; or
- (2) Must be payable only under an extension of benefits provision.

The amount of the Post-termination Maximum is equal to (1) times (2) where:

- (1) is the Post-termination Dollar Factor then in effect; and
- (2) is the average Number of Covered Employees. For this purpose, the average Number of Covered Employees is computed as follows:
  - (a) The sum of the Numbers of Covered Employees on the first days of certain contract months is determined. The contract months used for this sum are (i) the contract month in which the Modification ends, and (ii) the preceding two contract months, if any.
  - (b) The sum in (a) is divided by the number of contract months used to determine that sum.

#### **E. PREMIUMS.**

There is a premium charge payable each contract month that this Modification is in effect. An extra premium charge may be made at the end of each Contract Period and when this Modification ends. A separate extra premium charge will be made after this Modification ends.

For each contract month, the premium charge for the Coverages is equal to the product of (i) the number of Employees who are Covered Persons under at least one of the Coverages on the first day of the contract month, and (ii) the Premium Rate then in effect.

An extra premium is payable at the end of each Contract Period if this Modification is still in effect at that time, and when this Modification ends, unless Prudential provides written notice that it has waived all or a portion of the extra premium. This is in addition to all other premiums payable under the Group Contract. It is equal to the excess, if any, of (1) over (2) below. As used in (1) and (2), "Current Contract Period" means either the Contract Period just ending or the Contract Period which this Modification ends. "Preceding Contract Period" means the Contract Period preceding the Current Contract Period.

- (1) The Premium Maximum as of the end of the current Contract Period, or as of the date this Modification ends. The amount of the Premium Maximum is equal to the product of (a), (b), and (c) where:
  - (a) is the Maximum Dollar Factor in effect;
  - (b) is the number of months that this Modification was in effect during the current Contract Period; and
  - (c) is the average Number of Covered Employees.

While the Group Contract has been in effect for less than three months, the Average number of Covered Employees for this purpose is equal to the Number of Covered Employees on the first day of the current Contract Period.

While the Group Contract has been in effect for three months or more, the average Number of Covered Employees for this purpose is computed as follows:

- (i) The sum of the Numbers of Covered Employees on the first days of certain contract months is determined, the contract months used for this sum are (A) the last three contract months that began in the preceding Contract Period, if any, and (B) all of the contract months that have begun in the current Contract Period and while this Modification is in effect, except for the last three.

- (ii) The sum in (i) is divided by the number of contract months used to determine that sum.
- (2) The total amount of benefits payable under the Benefit Formula for claims that are due during the current Contract Period. The total Benefit Formula amount does not include any benefits that become due after this Modification ends.

After this Modification ends, a separate extra premium is payable. This is in addition to all other premiums payable under the Group Contract or under this section of the Modification. It is equal to the excess, if any, of (1) over (2) below:

- (1) The Post-termination Maximum (see Section D).
- (2) The total amount payable under the Benefit Formula for benefits that become due after this Modification ends. This amount includes only benefits which become due within one year after this Modification ends, and:
  - (a) Result from losses which occurred before this Modification ended; or
  - (b) Are payable only under an extension of benefits provision.

Prudential will compute the amount of this extra premium after one year has elapsed since the Modification ended. The Contract Holder will pay Prudential this amount within 30 days of the date Prudential tells the Contract Holder what amount is due.

#### **F. GENERAL PROVISIONS.**

When two or more classes of Employees are shown in the Schedule, amounts under this Modification are computed separately for each class and then considered as a whole.

The Premium Rate, Maximum Dollar Factor and Post-termination Dollar Factor shown in the Schedule are those in effect under this Modification as of the date this Modification takes effect. Prudential may change this rate and these factors when the Contract Holder changes the Employee Benefit Program. Prudential may also change this rate and these factors at the same times and under the same conditions as those stated for premium rates for the Coverages in the Premium Rates Changes section of the Group Contract's General Rules.

Benefits become due when the Contract Holder or Prudential receives proof of a valid claim for those benefits, as described in the Group Contract's Claim Rules. The Contract Holder and Prudential may agree on a different way to determine when benefits become due under this Modification, but it must produce about the same result.

Prudential decides the amount of benefits for which a person qualifies under the Benefit Formula. Benefits payable under the Employee Benefit Program are based on that decision. If Prudential decides that no benefit is payable for a claim or for part of a claim, and if this decision results in a law suit, Prudential will defend that suit at its own expense. Prudential has the right to settle the suit. The Contract Holder will pay any benefit amount included in a judgment or settlement unless Prudential is required to pay it by the other terms of this Modification.

If benefits become due under the Employee Benefit Program, and those benefits are not paid by the Contract Holder, Prudential will arrange to pay those benefits for the Contract Holder. But Prudential will not arrange to pay any benefits for the Contract Holder that become due more than one year after this Modification ends. If for any reason Prudential pays an amount of benefits which, by the terms of this Modification, should have been paid under the Employee Benefit Program, the Contract Holder will reimburse Prudential for that amount. If for any reason the Contract Holder pays an amount of benefits which, by the terms of this Modification, Prudential should have paid, Prudential will reimburse the Contract Holder for that amount.

Prudential is not liable for benefits, except as stated in the Group Contract as modified by this Modification. The Contract Holder is not liable for benefits if they are payable by Prudential under the Group Contract as modified by this Modification. The obligations of the Contract Holder under the Employee Benefit Program and Prudential under the Group Contract as modified by this Modification are mutually exclusive.

The Contract Holder will give Prudential the facts it needs to apply the terms of this Modification. The Contract Holder will tell Prudential at once if the Employee Benefit Program is changed or ends.

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## RIDER TO BE ATTACHED TO YOUR CERTIFICATE

### NOTICE OF CHANGE

**Covered Classes:** All Employees classified by the Contract Holder and reported to Prudential as Corporate Administered Payroll Employees earning \$200,000 annual base salary and above.

**Effective Date of Change:** The first day on or after July 1, 2009 on which you are insured (see the section of your Certificate entitled "When Does Your Coverage Begin?"). The section of your Certificate entitled "When Will Changes to Your Coverage Take Effect?" applies to this change.

**Group Contract No.:** G-44028-TN-1

Your Certificate coded 44028, LTD, All Employees, Ed 08-2009, 31 is changed as follows:

- The **When Is Evidence of Insurability Required?** section of the **General Provisions** is replaced by the following:

#### **When Is Evidence of Insurability Required?**

In any of these situations, you must give evidence of insurability, provided at your expense. This requirement will be met when Prudential decides the evidence is satisfactory.

- You enroll for coverage more than 31 days after the date you are first eligible for it. But this requirement will not apply if you enroll for Option 3 during the first annual enrollment period that occurs after you are notified into entry of the Covered Classes described in this Notice of Change.
- You enroll for an increase in coverage during an annual enrollment period. But this requirement will not apply during the first annual enrollment period that occurs after you enter the Covered Classes described in this Notice of Change.
- You re-enroll for coverage after you voluntarily cancelled it.
- You enroll after any coverage ends because you did not pay a required contribution.

Evidence of insurability is not required if:

- you are rehired within 180 days and you re-enroll for your prior level of coverage; or
- you enroll for coverage or an increase in coverage within 31 days of a **change in status**. The definition of change in status is shown in the What Happens If You Experience a Change in Status? section below.

An evidence of insurability form can be obtained from your Employer.

All other provisions in your Certificate remain unchanged.

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THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

## **RIDER TO BE ATTACHED TO YOUR CERTIFICATE**

### **NOTICE OF CHANGE**

**Covered Classes:** All active Full-time and Part-time employees:

- (1) who earn \$6,000 or more annually; and
- (2) who are enrolled for Short Term Disability Coverage; and
- (3) who have provided evidence of insurability satisfactory to Prudential for an increase in their amount of Short Term Disability Coverage during the enrollment period.

**Effective Date of Change:** The first day on or after January 1, 2008 on which you are insured (see the section of your Certificate entitled "When Does Your Coverage Begin?").

**Group Contract No.:** G-44028-TN-1

Your Certificate coded 44028, STD, FT and PT Employees, Ed 08-2006, 19 is changed as follows:

- The **What Is a Pre-Existing Condition?** provision of the **BENEFIT INFORMATION** section of the **Short Term Disability Coverage** is replaced by the following:

#### **What Is a Pre-Existing Condition?**

You have a pre-existing condition if both 1. and 2. are true:

1. You received medical treatment, consultation, care or services, including diagnostic measures, or took prescribed drugs or medicines, or followed treatment recommendation in the 12 months just prior to your effective date of coverage.
  2. Your disability begins within 12 months of the date your coverage under the plan becomes effective.
- The **How Does a Pre-Existing Condition Affect an Increase in Your Benefits?** provision of the **BENEFIT INFORMATION** section of the **Short Term Disability Coverage** is deleted.

All other provisions in your Certificate remain unchanged.

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**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**



**AMENDMENT TO GROUP CONTRACT NO. G-44082-TN-1**

By their signatures below, the Contract Holder and Prudential agree that the Group Contract is changed as follows:

- The insurance form listed in Column I below is attached to this Amendment; it forms part of the Group Contract as of its Effective Date. The form listed in Column I replaces, as of its Effective Date, the corresponding insurance form listed in Column II.

**Column I**

83500 SCH 1001 (S-1)(44028-20)  
effective January 1, 2013

**Column II**

83500 SCH 1001 (S-1)(44028-20) A  
effective April 1, 2012

Date: \_\_\_\_\_, 20  
\_\_\_\_\_

- HCA MANAGEMENT SERVICES, LP ON BEHALF  
OF THE PLAN ADMINISTRATION COMMITTEE -  
(Contract Holder)

By: CMS GP, LLC, its general partner

Witness: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature and Title)

Roseland, NJ

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

By:   
Vice President, Contracts

January 23, 2013

# Schedule of Plans

**Effective Date:** January 1, 2013

**Group Contract No.:** G-44082-TN-1

This Schedule of Plans sets forth the Plan of Benefits that applies to each Covered Class under the Group Contract listed below as of the Effective Date. The Plan of Benefits for a Covered Class is determined by: (1) the Group Insurance Certificates that apply to the Covered Class; and (2) any modification to those Certificates, provided the modification is listed below or included in an amendment to the Group Contract. A copy of each Certificate and any modification to it are attached to the Group Contract and made a part of it.

**Covered Class:**

All Employees included in the Covered Classes of the Group Insurance Certificate(s) listed below.

**Plan of Benefits that Applies to this Covered Class:**

- (1) The Coverage(s) described in the Group Insurance Certificate prepared for the Group Contract shown above:

- (a) With the Program Date of January 1, 2013; and
- (b) Bearing the code "44028, STD, FT and PT Employees, Ed 01-2013, 90".

The modifications to the Certificate described in the Notice to Employees:

- (a) With an Effective Date of January 1, 2008; and
- (b) Bearing the code "44028, PERM CNC, Ees Increasing STD, 01-01-2008, 58".

- (2) The Coverage(s) described in the Group Insurance Certificate prepared for the Group Contract shown above:

- (a) With the Program Date of January 1, 2013; and
- (b) Bearing the code "44028, LTD, All Employees, Ed 01-2013, 91".

The modifications to the Certificate described in the Notice to Employees:

- (a) With an Effective Date of July 1, 2009; and
- (b) Bearing the code "44028, PERM CNC, Corp Admin Payroll Ees, 07-01-2009, 40".

- (3) The Coverage(s) described in the Group Insurance Certificate prepared for the Group Contract shown above:

- (a) With the Program Date of January 1, 2013; and
- (b) Bearing the code "44028, STD, Core Plan, Ed 01-2013, 92".

(4) The Coverage(s) described in the Group Insurance Certificate prepared for the Group Contract shown above:

(a) With the Program Date of January 1, 2013; and

(b) Bearing the code "44028, STD, CorePlus Plan, Ed 01-2013, 93".

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U# 12122-0003, 44028-060512

**AMENDMENT TO GROUP CONTRACT NO. G-44028-TN-1**

By their signatures below, the Contract Holder and Prudential agree that the Group Contract is changed as follows:

- The insurance form listed below is attached to this Amendment; it forms part of the Group Contract as of its Effective Date.

83500 MOD 1001 (44028-20), effective January 1, 2011

Date: \_\_\_\_\_, 20

- HCA MANAGEMENT SERVICES, LP ON BEHALF  
OF THE PLAN ADMINISTRATION COMMITTEE-  
(Contract Holder)

By: CMS GP, LLC, its general partner

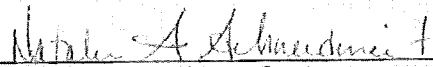
Witness: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature and Title)

Roseland, NJ

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

June 7, 2012

By:   
Vice President, Contracts

83500  
AMD 1001

A

PRU 77212-000458-003760

# Modification of the Group Contract

The Group Contract is modified as follows:

This Modification changes the premium rate guarantee period for certain Coverage(s) from one month to one year. The Premium Rate Changes section of the General Rules limits Prudential's right to change premium rates. For as long as the Advance Premium Agreement remains in force in connection with the Group Contract, the following change is made to the Premium Rate Changes section with respect to the Coverages to which the Advance Premium Agreement applies:

Item (1) of Section C Premium Rate Changes is replaced with the following:

- (1) As of any Contract Anniversary, provided 31 days written notice has been given to the Contract Holder; and

**AMENDMENT TO GROUP CONTRACT NO. G-44028-TN-1**

By their signatures below, the Contract Holder and Prudential agree that the Group Contract is changed as follows:

- The insurance form listed below is attached to this Amendment; it forms part of the Group Contract as of its Effective Date.

83500 MPP 1001(44028-20), effective April 1, 2012

83500 SEP 1001(S-9), effective April 1, 2012

- The insurance form listed in Column I below is attached to this Amendment; it forms part of the Group Contract as of its Effective Date. The form listed in Column I replaces, as of its Effective Date, the corresponding insurance form listed in Column II.

**Column I**

83500 GR 5075 (44028-20) A  
effective April 1, 2012

**Column II**

83500 GR 5075 (44028-20)  
effective January 1, 2009

Date: \_\_\_\_\_, 20

- HCA MANAGEMENT SERVICES, LP ON BEHALF  
OF THE PLAN ADMINISTRATION COMMITTEE -  
(Contract Holder)

By: CMS GP, LLC, its general partner

Witness: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature and Title)

Roseland, NJ

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

June 21, 2012

By: Natalie A. Schneiderman  
Vice President, Contracts

## MODIFICATION OF GROUP CONTRACT'S BENEFITS AND PREMIUMS

"The Group Contract" means Group Contract No. G-44028-TN-1

This Modification is made because the Contract Holder has established an Employee Benefit Program apart from the Group Contract. The benefits under the Employee Benefit Program are similar to those under the Group Contract. This Modification applies only to the classes of Employees and the Coverages named in the Schedule, and only with respect to benefits that become due on and after the date this Modification takes effect. Benefits for Employees under the Coverages will become payable by Prudential under the Group Contract only after benefits payable by the Contract Holder under the Employee Benefit Program reach a limit as described in this Modification.

As used in this Modification, "Employees" means only Employees in the classes named in the Schedule and "Coverages" means only the Coverages of the Group Contract named in the Schedule.

When the term "Contract period" is used in this Modification, it means a year starting April 1. A Contract Period includes only the time during which the Group Contract is in effect.

### A. SCHEDULE.

**Class of Employees:** All full-time or part-time Employees who are employed by HCA-Affiliated Facilities that have elected to offer the Core short term disability plan.

**Coverages:** Short Term Disability Coverage

**Premium Rate:**

	<b>Monthly Rate Per Employee*</b>
First Contract period	\$4.38
Second Contract period	\$4.51
Third Contract period	\$4.64

\*The Monthly Rate Per Employee may be adjusted while this Modification is in effect to reflect changes to the administrative fees paid to Sedgwick Claims Management Services, Inc.

**Maximum Dollar Factor:**

	<b>Factor Per Employee</b>
First Contract period	\$71.26 per month
Second Contract period	\$94.68 per month
Third Contract period	\$97.52 per month

<b>Post-termination Dollar Factor:</b>	<b>Factor Per Employee</b>
First Contract period	\$255.43
Second Contract period	\$263.09
Third Contract period	\$270.98

Claim administration fee for claims submitted prior to the end of this Modification ("Run out Claims") – \$269.00 per open claim.

## **B. WHILE THIS MODIFICATION IS IN EFFECT.**

During the time this Modification is in effect:

- (1) Prudential's obligation under the Group Contract as to Employees under the Coverages is governed by this Modification and by the Group Contract's Claim Rules.
- (2) Until \$855.13 in benefits become payable for the short term disability benefits of an Employee during the first Contract period, \$1,136.19 in benefits become payable for the short term disability benefits of an Employee during the second Contract period or \$1,170.28 in benefits become payable for the short term disability benefits of an Employee during the third Contract period, the benefit provisions of the Coverages with respect to that Employee are considered to be only a Benefit Formula. Benefit Formula amounts are used to compute the amount of benefits payable according to this Modification.
- (2) In each Contract Period, Prudential is required to pay benefits under the Coverages only after the Benefit Maximum is reached. Once the Benefit Maximum is reached in a Contract Period, Prudential will pay the benefits that become due to Employees under the Coverages for the rest of that Contract Period.

The Benefit Maximum will be reached when the total amount of benefits that become due under the Benefit Formula during a Contract Period equals the amount of the Benefit Maximum. The amount of each benefit payable is determined under the Benefit Formula.

At any time during a Contract Period, the amount of the Benefit Maximum is equal to the product of (1), (2), and (3), where:

- (1) is the Maximum Dollar Factor then in effect;
- (2) is the greater of 12 and the total number of months in that Contract Period; and
- (3) is the Average Number of Covered Employees.

While the Group Contract has been in effect for less than three months, the average Number of Covered Employees for this purpose is equal to the Number of Covered Employees on the first day of the Contract Period.



While the Group Contract has been in effect for three months or more, the average Number of Covered Employees for this purpose is computed as follows:

- (a) The sum of the Numbers of Covered Employees on the first days of certain contract months is determined. The contract months used for this sum are (i) the last three contract months that began in the preceding Contract Period, if any, and (ii) all of the contract months that have begun in the current Contract Period and while this Modification is in effect, except for the last three.
- (b) The sum in (a) is divided by the number of contract months used to determine that sum.

#### **C. HOW THIS MODIFICATION MAY BE ENDED.**

Prudential may end this Modification if the Contract Holder:

- (1) Changes the Employee Benefit Program; or
- (2) Does not supply enough funds to pay its obligations under the Employee Benefit Program for three working days in a row.

Unless the Contract Holder and Prudential have agreed otherwise, this Modification will end if any part of the Employee Benefit Program ends or if any part of the Group Contract ends.

In any event, the Contract Holder or Prudential may end this Modification on the day before any Premium Due Date of the Group Contract, but only if written notice of the termination is given to the other party at least 60 days before the Modification is to end.

#### **D. AFTER THIS MODIFICATION ENDS.**

As of the date this Modification ends, the part of the Group Contract which provides the Coverages for Employees will also end.

Once this Modification ends, the obligations of the Contract Holder and Prudential with respect to claims for benefits under the Coverages will be the same as they would be if the Modification had not ended, except as stated in this section.

If a benefit becomes due under the Coverages after this Modification ends, Prudential will pay the benefit, but only if that benefit:

- (1) Results from a loss which occurred before this Modification ended or is payable only under an extension of benefits provision; and
- (2) Becomes due after the earlier of (a) the date the Post-termination Maximum is reached, and (b) one year after the Modification ends.

The Post-termination Maximum will be reached when the total amount payable under the Coverages for benefits that become due after this Modification ends equals the amount of the Post-termination Maximum. In order for the benefits payable to count towards the Post-termination Maximum, the benefit:

- (1) Must result from a loss which occurred before this Modification ended; or
- (2) Must be payable only under an extension of benefits provision.

The amount of the Post-termination Maximum is equal to (1) times (2) where:

- (1) is the Post-termination Dollar Factor then in effect; and
- (2) is the average Number of Covered Employees. For this purpose, the average Number of Covered Employees is computed as follows:
  - (a) The sum of the Numbers of Covered Employees on the first days of certain contract months is determined. The contract months used for this sum are (i) the contract month in which the Modification ends, and (ii) the preceding two contract months, if any.
  - (b) The sum in (a) is divided by the number of contract months used to determine that sum.

#### **E. PREMIUMS.**

There is a premium charge payable each contract month that this Modification is in effect. An extra premium charge may be made at the end of each Contract Period and when this Modification ends. A separate extra premium charge will be made after this Modification ends.

For each contract month, the premium charge for the Coverages is equal to the product of (i) the number of Employees who are Covered Persons under at least one of the Coverages on the first day of the contract month, and (ii) the Premium Rate then in effect.

An extra premium is payable at the end of each Contract Period if this Modification is still in effect at that time, and when this Modification ends, unless Prudential provides written notice that it has waived all or a portion of the extra premium. This is in addition to all other premiums payable under the Group Contract. It is equal to the excess, if any, of (1) over (2) below. As used in (1) and (2), "Current Contract Period" means either the Contract Period just ending or the Contract Period which this Modification ends. "Preceding Contract Period" means the Contract Period preceding the Current Contract Period.

- (1) The Premium Maximum as of the end of the current Contract Period, or as of the date this Modification ends. The amount of the Premium Maximum is equal to the product of (a), (b), and (c) where:
  - (a) is the Maximum Dollar Factor in effect;
  - (b) is the number of months that this Modification was in effect during the current Contract Period; and
  - (c) is the average Number of Covered Employees.

While the Group Contract has been in effect for less than three months, the Average number of Covered Employees for this purpose is equal to the Number of Covered Employees on the first day of the current Contract Period.

While the Group Contract has been in effect for three months or more, the average Number of Covered Employees for this purpose is computed as follows:

- (i) The sum of the Numbers of Covered Employees on the first days of certain contract months is determined, the contract months used for this sum are (A) the last three contract months that began in the preceding Contract Period, if any, and (B) all of the contract months that have begun in the current Contract Period and while this Modification is in effect, except for the last three.

- (ii) The sum in (i) is divided by the number of contract months used to determine that sum.
- (2) The total amount of benefits payable under the Benefit Formula for claims that are due during the current Contract Period. The total Benefit Formula amount does not include any benefits that become due after this Modification ends.

After this Modification ends, a separate extra premium is payable. This is in addition to all other premiums payable under the Group Contract or under this section of the Modification. It is equal to the excess, if any, of (1) over (2) below:

- (1) The Post-termination Maximum (see Section D).
- (2) The total amount payable under the Benefit Formula for benefits that become due after this Modification ends. This amount includes only benefits which become due within one year after this Modification ends, and:
- (a) Result from losses which occurred before this Modification ended; or
  - (b) Are payable only under an extension of benefits provision.

Prudential will compute the amount of this extra premium after one year has elapsed since the Modification ended. The Contract Holder will pay Prudential this amount within 30 days of the date Prudential tells the Contract Holder what amount is due.

## **F. GENERAL PROVISIONS.**

When two or more classes of Employees are shown in the Schedule, amounts under this Modification are computed separately for each class and then considered as a whole.

The Premium Rate, Maximum Dollar Factor and Post-termination Dollar Factor shown in the Schedule are those in effect under this Modification as of the date this Modification takes effect. Prudential may change this rate and these factors when the Contract Holder changes the Employee Benefit Program. Prudential may also change this rate and these factors at the same times and under the same conditions as those stated for premium rates for the Coverages in the Premium Rates Changes section of the Group Contract's General Rules.

Benefits become due when the Contract Holder or Prudential receives proof of a valid claim for those benefits, as described in the Group Contract's Claim Rules. The Contract Holder and Prudential may agree on a different way to determine when benefits become due under this Modification, but it must produce about the same result.

Prudential decides the amount of benefits for which a person qualifies under the Benefit Formula. Benefits payable under the Employee Benefit Program are based on that decision. If Prudential decides that no benefit is payable for a claim or for part of a claim, and if this decision results in a law suit, Prudential will defend that suit at its own expense. Prudential has the right to settle the suit. The Contract Holder will pay any benefit amount included in a judgment or settlement unless Prudential is required to pay it by the other terms of this Modification.

If benefits become due under the Employee Benefit Program, and those benefits are not paid by the Contract Holder, Prudential will arrange to pay those benefits for the Contract Holder. But Prudential will not arrange to pay any benefits for the Contract Holder that become due more than one year after this Modification ends. If for any reason Prudential pays an amount of benefits which, by the terms of this Modification, should have been paid under the Employee Benefit Program, the Contract Holder will reimburse Prudential for that amount. If for any reason the Contract Holder pays an amount of benefits which, by the terms of this Modification, Prudential should have paid, Prudential will reimburse the Contract Holder for that amount.

Prudential is not liable for benefits, except as stated in the Group Contract as modified by this Modification. The Contract Holder is not liable for benefits if they are payable by Prudential under the Group Contract as modified by this Modification. The obligations of the Contract Holder under the Employee Benefit Program and Prudential under the Group Contract as modified by this Modification are mutually exclusive.

The Contract Holder will give Prudential the facts it needs to apply the terms of this Modification. The Contract Holder will tell Prudential at once if the Employee Benefit Program is changed or ends.

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# Separate Experience

This applies when Prudential determines the premium refund, if any, allocable to the Group Contract. In doing that, Prudential will treat separately the financial experience of:

These Coverages:

- (1) The Core Plan under Short Term Disability Coverage
  - (2) All other Coverages of the Group Contract.
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# General Rules

## A. PAYMENT OF PREMIUMS - GRACE PERIOD.

Premiums are to be paid by the Contract Holder to Prudential. Each may be paid at a Prudential office or to one of its authorized agents. One is due on each Premium Due Date stated in the Group Contract Schedule. The Contract Holder may pay each premium other than the first within 60 days of the Premium Due Date without being charged interest. Those days are known as the grace period. The Contract Holder is liable to pay premiums to Prudential for the time the Group Contract is in force.

## B. PREMIUM AMOUNTS.

The premium due on each Premium Due Date is the sum of the premium charges for the insurance under the Coverages. Those charges are determined from the premium rates then in effect and the Employees then insured.

The following will apply if one or more premiums paid include premium charges for an Employee whose insurance has ended before the due date of that premium. Prudential will not have to refund more than the amount of the premium charges for such Employee that were included in the premiums paid for the two months plus the current month immediately before the date Prudential receives written notice from the Contract Holder that the Employee's insurance has ended.

Premiums may be determined in another way. But it must produce about the same amounts and be agreed to by the Contract Holder and Prudential.

No premium charge will be made for an insured Employee under the Employee Long Term Disability Coverage while the Employee:

- (1) is Disabled; and
- (2) is entitled, after the Elimination Period, to benefits under the Coverage.

## C. PREMIUM RATE CHANGES.

The premium rates in effect on the Contract Date are shown in the Group Contract's Schedule of Premium Rates. Prudential has the right to change premium rates:

- (1) As of any Premium Due Date; and
- (2) As of any date the extent or nature of the risk assumed is changed for any reason, including the reasons shown below:
  - (a) With respect to the Short Term Disability Coverage, a 15% or more change in the number of covered lives or volume. \*

\*Any rate change due to a 15% or more increase or decrease in the number of covered lives or volume will be effective on the next January 1 following the October annual enrollment. The base line for the first Contract Year and each Contract Year thereafter is the 2006 enrollment number of covered employees.

\*Prudential will provide the Contract Holder with notice of any rate change due to a 15% or more increase or decrease in the number of covered lives or volume at least 4 months before the October annual enrollment.

- (b) With respect to the Short Term Disability Coverage, the 15% change in the number of covered lives or volume does not apply to any spin offs or divestitures of the Contract Holder's facilities. But, it does apply if a division, subsidiary or associated company is added which results in an increase of 15% or more in the number of lives or volume.
- (c) With respect to the Long Term Disability Coverage, a 25% or more change in the number of covered lives or volume.\*\*

\*\*Any rate change due to a 25% or more increase or decrease in the number of covered lives or volume will be effective on the next January 1 following the October annual enrollment. The base line for the first Contract Year and each Contract Year thereafter is the 2009 enrollment number of covered employees.

\*\*Prudential will provide the Contract Holder with notice of any rate change due to a 25% or more increase or decrease in the number of covered lives or volume at least 4 months before the October annual enrollment.

- (d) A significant change occurs in the plan design.
- (e) A new law or a change in any existing law is enacted which applies to this plan.

But, unless the Schedule of Premium Rates or an amendment states otherwise, (1) above will not be used to change premium rates:

- for Short Term Disability Coverage, within 36 months of the Contract Date.
- for Long Term Disability Coverage, within 48 months of the effective date of the Long Term Disability Coverage.

Prudential will notify the Contract Holder in writing at least 30 days before a premium rate is changed, except as noted in 2(a) and 2(c) above.

#### **D. PREMIUM REFUNDS.**

Prudential will determine the premium refund, if any, allocable to the Group Contract as of each Contract Anniversary, if the Group Contract stays in force by the payment of all premiums to that date. The premium refund will be credited to the Group Contract as of that date.

Each premium refund will be paid to the Contract Holder in cash unless the Contract Holder asks that it be applied toward the premium then due.

Prudential's sole liability as to any premium refund is as set forth above.

#### **Non-profit Clause**

This applies if the aggregate premium refunds under the Group Contract and any other group contract(s) of the Contract Holder exceed the aggregate payments toward their cost made from the Employer's own funds. The Contract Holder will see that an amount equal to the excess is applied for the benefit of insured persons.

## **E. END OF THE GROUP CONTRACT OR OF AN INSURANCE.**

**During or at End of Grace Period - Failure to Pay Premiums:** If any premium is not paid by the end of its grace period, the Group Contract will end when the grace period ends. The Contract Holder may write to Prudential, in advance, to ask that the Group Contract be ended at the end of the period for which premiums have been paid or at any time during the grace period. Then the Group Contract will end on the date requested, but in no event will it end before the date Prudential receives the written request from the Contract Holder.

**On a Premium Due Date - Failure to Maintain Insuring Conditions:** On any Premium Due Date, Prudential may end the part of the Group Contract for Contributory or Non-contributory Employee Insurance or Dependents Insurance under a Coverage if one or more of the following conditions then exists for that part. But notice of its intent to do so must be given to the Contract Holder at least 120 days in advance.

Contributory Insurance: The insured Employees are:

- (1) less than the Minimum Participation Number; or
- (2) contributing at a rate higher than the maximum, if any, stated in the Group Contract for the insurance.

Non-contributory Insurance: The insured Employees are:

- (1) less than the Minimum Participation Number; or
- (2) contributing for the insurance.

The Minimum Participation Number is shown in the Group Contract Schedule.

**On a Contract Anniversary:** Prudential may end the Group Contract on any Contract Anniversary. But notice of its intent to do so must be given to the Contract Holder at least 120 days in advance.

## **F. AGE ADJUSTMENT.**

If an Employee's age is used to determine the premium charge for an Employee's insurance and the age is found to be in error, the amount of the Employee's insurance under any Coverage affected by the change in age will then be adjusted to reflect the amount that the premium paid would have provided at the correct age. The Employer's age used to determine the premium charge is the Employee's age on January 1 for the entire Calendar Year.

## **G. EMPLOYEE'S CERTIFICATE.**

Prudential will give the Contract Holder an individual certificate to give each insured Employee by electronic means. It will describe the Employee's coverage under the Group Contract. It will include (1) to whom Prudential pays benefits, (2) any protection and rights when the insurance ends, and (3) claim rights and requirements.



## **H. RECORDS - INFORMATION TO BE FURNISHED.**

Either the Contract Holder or Prudential, as they agree, will keep a record of the insured Employees. It will contain the key facts about their insurance.

At the times set by Prudential, the Contract Holder will send the data required by Prudential to perform its duties under the Group Contract, and to determine the premium rates. All records of the Contract Holder which bear on the insurance must be open to Prudential for its inspection at any reasonable time.

Prudential will not have to perform any duty that depends on such data before it is received in a form that satisfies Prudential. The Contract Holder may correct wrong data given to Prudential, if Prudential has not been harmed by acting on it. An Employee's insurance under a Coverage will not be made invalid by failure of the Contract Holder or the Employer, due to clerical error, to record or report the Employee for that insurance.

## **I. THE CONTRACT - INCONTESTABILITY OF THE CONTRACT.**

The entire Group Contract consists of: (1) the Group Insurance Certificate(s) listed in the Schedule of Plans, a copy of which is attached to the Group Contract; (2) all modifications and endorsements to such Group Insurance Certificates which are attached to and made a part of the Group Contract by amendment to the Group Contract; (3) the forms shown in the Table of Contents as of the Contract Date; (4) the Contract Holder's application, a copy of which is attached to the Group Contract; (5) any endorsements or amendments to the Group Contract; and (6) the individual applications, if any, of the persons insured.

No statement of the Contract Holder will be used in any contest of the insurance under the Group Contract.

There will be no contest of the validity of the Group Contract, except for not paying premiums, after it has been in force for one year.

## **J. MODIFICATION OF THE GROUP CONTRACT.**

The Group Contract may be amended, at any time, without the consent of the insured Employees or of anyone else with a beneficial interest in it. This can be done through written request made by the Contract Holder and agreed to by Prudential. But an amendment will not affect a claim incurred before the date of change.

Only an officer of Prudential has authority: to waive any conditions or restrictions of the Group Contract; or to extend the time in which a premium may be paid; or to make or change a contract; or to bind Prudential by a promise or representation or by information given or received. A Prudential agent is not an officer.

No change in the Group Contract is valid unless shown in:

- (1) an endorsement on it signed by an officer of Prudential; or
- (2) an amendment to it signed by the Contract Holder and by an officer of Prudential.

But, a change in the Group Contract may be made in an amendment to it that is signed only by an officer of Prudential if:

- (1) The amendment reflects a change in the Group Contract that has been automatically made to satisfy the requirements of any state or federal law or regulation that applies to the Group Contract, as provided in the Conformity With Law section. This change is known as a Statutory Amendment.
- (2) The amendment reflects a change in Prudential's administration of its group insurance benefits and is intended to apply to all group insurance contracts which are affected by the change. This change is known as a Portfolio Amendment. Prudential will give the Contract Holder written notice of its intent to make a Portfolio Amendment in the Group Contract at least 180 days in advance of the effective date of the Amendment. When the Group Contract is so amended, payment by the Contract Holder of the next premium due under the Group Contract will constitute acceptance of the Portfolio Amendment, unless the Contract Holder has rejected the Amendment, in writing, prior to its effective date.

#### **K. OTHER GOODS AND SERVICES.**

From time to time, only upon prior written consent by the Contract Holder, Prudential may offer or provide Covered Persons or their Beneficiaries certain goods and services in addition to the insurance coverage. Prudential also may arrange for third party vendors to provide goods and services at a discount (including without limitation beneficiary financial counseling services, employee assistance programs and travel assistance related services) to Covered Persons or their Beneficiaries. Though Prudential may make the arrangements, the third party vendors are solely liable for providing the goods and services. Prudential shall not be responsible for providing or failing to provide the goods and services to Covered Persons or their Beneficiaries. Further, Prudential shall not be liable to Covered Persons or their Beneficiaries for the negligent provision of the goods and services by third party vendors.

#### **L. CONFORMITY WITH LAW.**

If the provisions of the Group Contract do not conform to the requirements of any state or federal law or regulation that applies to the Group Contract, the Group Contract is automatically changed to conform with Prudential's interpretation of the requirements of that law or regulation.

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